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BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

U.S. HOUSE OF REPRESENTATIVES

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Good Morning Chairman Oberstar, Ranking Member Mica, and members of this Committee. My name is Paul Prouty and I am the Acting Administrator of the General Services Administration (GSA). Thank you for inviting me to appear before you today to discuss GSA's contribution to our nation's economic recovery through the green modernization and construction of our buildings.

GSA's Public Buildings Service (PBS) is one of the largest and most diversified public real estate organizations in the world. Our inventory consists of over 8,600 assets with nearly 354 million square feet of rentable space across all 50 states, 6 territories and the District of Columbia. Our portfolio is composed primarily of office buildings and courthouses, land ports of entry, and warehouses. GSA's and PBS's goal is to manage these assets responsibly while delivering and maintaining superior workplaces at best value to our client agencies and the American taxpayer.

The funds Congress has provided us through the American Recovery and Reinvestment Act (the Recovery Act) are a sound investment in several respects. First, the money will help GSA reduce its energy consumption and improve the environmental performance of its inventory. Second, the funds, in large part, will be invested in the existing infrastructure, which will help reduce our backlog of repair and alteration needs, thus increasing the assets' value, prolonging their useful life, and ultimately further conserving our country's resources. Third, the money will lessen our reliance on costly operating leases by providing more government owned solutions for the long-term requirements of our customers. Finally, we will stimulate job growth in the construction and real estate sectors and long-term improvements in energy efficient technologies, alternative energy solutions, and green building technologies.

Today, I will describe the steps we have taken to carry out PBS's portion of the Recovery Act. We know that this is not business as usual and we are moving forward with speed, tempered by careful consideration of our procurement responsibilities and our ultimate accountability to the taxpayer. In order to successfully accomplish its portion of the Recovery Act, PBS formed a nationally managed, regionally executed Program Management Office (PMO) to execute Recovery Act program activities. The Recovery Act execution efforts will be centralized in a small, cohesive PBS national office, staffed with experts and supported by high performing associates, as well as industry hires and appropriate contract/consultant resources to ensure successful program implementation. The PMO will execute Recovery Act activities on an aggressive schedule using streamlined business processes and innovative approaches to project execution, including geographic zonal oversight. It will also ensure that projects are delivered on time and on budget and will be an "early warning system" for projects that are not meeting anticipated targets.

The PMO is supported at the national level by an Executive Steering Committee headed by the Deputy Commissioner. The Executive Steering Committee will

develop overall program strategy and priorities; approve changes to the project list; and address national customer concerns. At the regional level, the PMO is supported by a set of three zonal steering committees which will assist in tracking and monitoring project progress.

PBS has moved quickly. On March 31st, GSA delivered to Congress a list of 254 projects in all 50 states, the District of Columbia, and two U.S. territories to be completed with funds provided by the Recovery Act. These projects fall into the following categories: new Federal construction; full and partial building modernizations; and limited-scope, high-performance green building projects. In the new Federal construction category, we will invest $1 billion in 17 projects; in the building modernization category, we will invest $3.2 billion in 43 projects; and in the limited-scope green buildings category, we will invest $807 million in more than 194 projects totaling over $5 billion.

Of the $5.55 billion PBS received in the Recovery Act, our goal is to obligate $1 billion by August 1st and another $1 billion by the end of the calendar year. We have set goals for project awards in each quarter, with high goals for the early quarters, to ensure that we obligate $5 billion by the end of fiscal year 2010 and an additional $550 million by the end of fiscal year 2011, as required by the Recovery Act. As of last week, we had already obligated $64 million for the funding of the final renovation phase of the historic art deco Thurgood Marshall U.S. Courthouse in New York City and $500 thousand for architect/engineer study and scope development for the Poff Federal Building in Roanoke, Virginia.

The project list was selected from an initial list of existing GSA pipeline projects, already designed, that could be awarded within two years. The list we developed included detailed information on cost, schedule, energy benefits, and the impact on the repair and alterations backlog for each project. Our repair and alterations backlog was over $7 billion, but the dollar amount of the projects we could have funded – with full funding of all green and energy saving opportunities – was much greater. Through numerous consultations between the Steering Committee described above and regional program staff, we applied criteria to select those projects that would both put people back to work quickly and transform Federal buildings into high-performance green buildings. The complete list of selection criteria was as follows:

- Incorporation of high-performance features, with an emphasis on energy conservation and renewable energy generation;

- Speed of construction start, with an emphasis on those projects that could begin within 120 days;

- Low risk that the project would fail to be completed on time;

- Condition of the facility;

- Capacity of the project to increase utilization of the building;
- High return on investment;
- Degree to which lease costs would be avoided through the project; and
- Historic significance of the building.

Many of the projects in the new Federal construction and building modernization categories have previously received partial funding. These are projects for which we can start construction quickly while also identifying ways that existing designs can be improved. These categories include projects such as the Bishop Henry Whipple Federal Building in Fort Snelling, Minnesota, a multi-tenant office building project where heating, ventilation, and air conditioning (HVAC); plumbing; electrical; and life safety improvements are expected to deliver 24% energy savings once the project is completed. This is over and above the 20% in energy savings we have previously achieved in this building in recent years.

Ways in which we will improve new construction and major modernization projects we have selected include:

- Adding thicker insulation than required by the newest energy codes in climates where it makes sense;
- Installing variable frequency drives to reduce energy and extend the life of mechanical equipment;
- Converting parking structure lighting to LED (light-emitting diode), which dramatically lowers energy consumption, improves safety and visibility and reduces maintenance as LEDs can last two to three times as long as typical garage or parking lot lights;
- Retrofitting or replacing less efficient windows — this component is often eliminated from a building renovation because of the initial expense and long payback period; and
- Specifying dual flush toilets and waterless or low water urinals to save water and reduce demand on aging city sewer systems.

In the limited scope category, we have identified a number of projects that can rapidly be deployed in many buildings at once. Through these projects, we can make significant improvement to the energy performance of a building and also improve the working conditions for the people in them.

Three examples of such improvements include:

- Installing intelligent lighting systems that provide daylight and provide controls for occupants to adjust for ambient light versus task light.
- Replacing flat roofs with ENERGY STAR membranes; integrated photovoltaic panels bonded to the membrane; photovoltaic panels; or planted roofs. These options offer benefits ranging from increasing the life of the roof, to producing energy and to reducing the "heat island" effect of a black roof. We expect to install some form of photovoltaic energy generation on 30 of the 59 roofs we are touching.
- Accelerating the installation of advanced meters—required under the Energy Policy Act to be completed by 2012. Advanced meters enable us to better manage buildings by instantaneously providing information on a building's energy use and encouraging immediate operational changes.

An example of the innovative features we will be incorporating into some of the projects on our Recovery Act list is the Edith Green - Wendell Wyatt Federal Building in Portland, Oregon. As part of this project, GSA will install a new high-performance double glass enclosure over the entire building which will dramatically enhance energy performance and blast resistance. On the west façade, vegetative "fins" will provide shade, reducing the load on the new high-efficiency HVAC system that will be installed. These are just some of the "green" improvements that GSA will make as part of this project. We expect the building to attain a LEED Gold rating.

A multibuilding project in the San Diego area illustrates the types of energy-saving projects for which we have established a solid track record. Recently, GSA's San Diego Field Office undertook an ambitious project schedule to reduce energy consumption and increase renewable energy at the Otay Mesa Land Port of Entry facility, including a major lighting project and the installation of two energy efficient chillers and a 274 kilowatt photovoltaic system. The 46,000 square foot roof at the Export Facility was replaced with a Title 24 Cool Roof System prior to the installation of the photovoltaic system. This system will generate approximately 1,120 kilowatt hours per day and 409,000 kilowatt hours per year, representing approximately 26% of the total energy used on the Export Facility. This project is complete and began generating electricity in May 2008.

Reductions in electric consumption at Otay Mesa already are evident. April 2008 readings of the site's two meters showed that the lighting project alone reduced usage by 12% and 13% compared with the previous year. Readings taken in June after the completion of the photovoltaic roof installation in May showed an additional 30% reduction. We have contracted to install a Dragon Power System, through which power is generated by a plate that moves when cars drive over it, at Otay Mesa as well.

The field office also completed comprehensive lighting projects at Otay Mesa and four other Federal facilities in San Diego County. These lighting projects were

completed for a cost of $1.9 million, resulting in an annual energy savings of 1,933,000 kilowatt hours/year and electric demand savings of 493 kilowatts. Energy savings came from replacing Metal Halide (MH) and High Pressure Sodium (HPS) fixtures with new Induction Lamp fixtures, which reduced energy use by over 50% while increasing measured light levels. It also significantly increased light quality as measured by occupant satisfaction. Moreover, the Induction Lamp lifetime is expected to exceed 100,000 hours of use, three to four times that of MH and HPS lamps. This significantly reduces labor costs associated with re-lamping. Finally, standard T8 lamps and electronic ballasts were replaced with High-Performance T8 lamps and reduced light output electronic ballasts. This keeps fixture lumen output the same, while reducing energy usage by 25%, increasing lamp life, and improving lighting quality. These are just a few examples of what we were accomplishing before the Recovery Act. Without the level of funding provided in the Act, however, the scale of these projects was limited.

Finally, pre-apprenticeship and apprenticeship programs will be an integral part of our Recovery Act projects. These programs will be established as contractual requirements in construction contracts for selected projects on our Recovery Act list. The funding provided in the Act shall be used for costs of pre-apprentice and apprentice training and management of the programs. The programs will be modeled after a successful GSA program in the National Capital Region through which at least 840 persons at 15 projects have been trained and employed since the program's inception in 2002.

Conclusion

Today, I have described the unprecedented and exciting opportunity that lies before us to contribute to our nation's economic recovery by investing in green technologies and reinvesting in our public buildings. Greening our buildings will be an ongoing process. As this Committee knows, the Energy Independence and Security Act of 2007 and other laws require GSA, among other things, to reduce its energy consumption by 30 percent by 2015; reduce fossil fuel-generated energy consumption in our new buildings by increasing amounts – from 55 percent in 2010 to 100 percent in 2030; and "green" an even greater portion of our inventory. Although the Recovery Act will accelerate our progress in these areas, it alone will not enable us to meet these goals. We look forward to working with you and members of this Committee as we engage in this important work.

Joining me today is Tony Costa, Acting Commissioner of the Public Buildings Service, Bill Guerin, the Recovery Executive in our newly established Recovery Program Management Office in PBS, and Kevin Kampschroer, Acting Director of

the Office of Federal High-Performance Green Buildings. Chairman Oberstar, Ranking Member Mica, this concludes my prepared statement. I will be pleased to answer any questions that you or any other members of this Committee may have.